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FISCAL IMPACT STATEMENT

LS 6830

BILL NUMBER: SB 330

NOTE PREPARED: Apr 4, 2007

BILL AMENDED: Apr 3 , 2007

SUBJECT: Legal Settlement of Foster Children.

FIRST AUTHOR: Sen. Lawson C

FIRST SPONSOR: Rep. Summers

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that a student who is placed in a foster family home or the home of a relative or other caretaker that is not located in the school corporation in which the student has legal settlement may attend school in either the school corporation in which the home is located or in the school corporation in which the student has legal settlement. The bill provides for the payment of transfer tuition in certain cases.

The bill defines "homeless student", for purposes of school transportation law, to include a student who is awaiting placement in a foster family home.

The bill allows a juvenile court to determine the legal settlement of a student who is under the jurisdiction of the juvenile court. It also makes corresponding changes to related sections.

The bill provides that a school corporation may enter into an agreement with a nonprofit corporation that educates certain children who have been placed by or with the consent of the Department of Education to provide students with an individualized education program.

The bill allows a charter school to limit new admissions to certain students.

Effective Date: July 1, 2007.

Explanation of State Expenditures: See *Explanation of Local Expenditures*.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill provides that a student who is placed in a foster family home or the home of a relative or other unlicensed caretaker that is not located in the school corporation in which the student has legal settlement may attend school in either the school corporation in which the foster family home or other home is located or the school corporation in which the student has legal settlement. The bill requires the Department of Child Services (DCS) and the student's foster parents or caretaker to make a determination concerning where the student attends school unless that determination is made by a court that has jurisdiction over the student. The bill also requires the DCS to consult with a licensed child placing agency concerning the determination of, or the recommendations made to the court concerning, where a student attends school if the licensed child placing agency is responsible for oversight of a foster family home in which a student is placed.

Under current law, a child placed in a foster family home may attend a school corporation in which a foster family home is located. Furthermore, the school corporation in which the child has legal settlement is responsible for paying the transfer tuition of the student. School corporations are also responsible for paying transfer tuition for students placed in the home of a relative or other unlicensed caretaker.

(a) The bill modifies that language and states that transfer tuition is not required for a student placed in a foster family home or in the home of a relative or other unlicensed caretaker, with the exception of students described in (b). The number of students placed in a foster family home or the home of a relative or other licensed caretaker for which transfer tuition is paid is not known. Under the bill, school corporations would experience a reduction in expenditures. Actual reductions: (1) would be dependent on the number of students in each school corporation which that corporation would no longer have to pay transfer tuition for.

(b) The bill requires a school corporation in which a student has legal settlement to pay transfer tuition to the school corporation in which the student is enrolled if all of the following apply: (1) the student was previously placed in a child caring institution; (2) while placed in the child caring institution, the student was enrolled in a school that is: (I) administered by the school corporation in which the child caring institution is located, and (ii) located at the child caring institution; (3) the student was moved from the child caring institution to a licensed foster family home supervised by the child caring institution either: (a) with the approval of the DCS and the court, or (b) by a court order; (4) after moving from the child caring institution to the foster family home, the student continues to attend the school located at the child caring institution; and (5) the legal settlement of the student was determined by a juvenile court. Current law requires school corporations to pay transfer tuition for these students, thus, no change in expenditures would occur under the provision.

(Revised) *School Corporation Contracts:* The provision that allows school corporations to enter into an agreement with a nonprofit corporation to provide certain students with an individualized education program could reduce local school expenditures if the cost of the nonprofit corporation would be less than what could have been provided by the school corporation.

The bill clarifies that the maximum amount of the contract with a nonprofit corporation and a school corporation is the cost of educating the student before the reduction of state or local revenue received for the student. Transfer tuition is approximately the cost of educating the student minus the state and local revenue that the school receives for the student. The provision should not have a significant fiscal impact.

Background Information: The average monthly number of children placed in a foster home, relative home, or other type of placement, during FY 2006 totaled approximately 8,300 children.

Definition of Homeless Student: The bill includes language which states that a student who is awaiting placement in foster care is included in the definition of homeless student. Under current law, a homeless student is entitled to transportation from the place where the homeless student is temporarily staying to the school of origin. Furthermore, the original and transitional school corporations are required to either enter into an agreement concerning the responsibility for the apportionment of the costs of transporting the homeless student or share the costs evenly if they cannot come to an agreement. The Department of Education reports that it uses the federal definition for homeless student to dictate who is defined as a homeless student in Indiana. Furthermore, that definition includes a student who is awaiting placement in foster care. Thus, no fiscal impact is anticipated from the provision.

Explanation of Local Revenues:

State Agencies Affected: Department of Child Services; Department of Education.

Local Agencies Affected: School corporations; Courts.

Information Sources: John Ryan, Department of Child Services; John Wood, Department of Child Services; Christina Endres, Department of Education; Ralph Jones, Department of Child Services.

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